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CHAPTER 3:- RESEARCH DESIGN AND METHODOLOGY

3:1. Introduction

The methodology includes extensive literature review of professional journals and magazines regarding the issue of Employee Turnover. The reviews provided the study with many articles and research papers, which are interesting and useful, concerning the theories of socialization, information seeking, perceived variables in dissatisfaction of employees, outcomes of resigning, and other general issues of the Employee Turnover subject in general.

The present study started off in the direction of how to reduce employ turnover and work towards employee retention or other outcomes that may lead to an effect on the performance.

Most of the literature led the scope of the present study to a different direction covered under the topic of Manpower turnovers. Almost all articles were referring to indirect employment market effects that are transmitted, and there was a direct relationship proved to have existed between turnover and retention. Rather, a major part of the articles mentioned other outcomes such as commitment, job satisfaction, and self-efficacy. There was a need to form an additional relationship between these and employee retention.

The research led the study to realize that employee retention, whether it is skills or effort oriented, was a major practice due to the nature of the time period it was held in the organization.

The purpose of this chapter is to discuss the research methodology of this study. The research design and procedures followed for this descriptive study were used to answer questions concerning the objectives of this study. The chapter contains the sections explaining approach to the problem, objectives, hypothesis, Research design methodology, data collection, scope and limitations of the study.
3:2 Approaches to the Problem:

With reference to the review of literature and previous researches as well as the opinions of famous theorists, the researcher has considered the following points to develop proper approaches and right direction to the research project. The important points related to Employee Turnover which is as stated below.

3.3 Reason for Choice of Topic:

The researcher strongly believes that most of the problems in any business organization are arising due to mismanagement. The current scenario in the global business world has a lot of problems which are mainly associated with HR management. The researcher wants to contribute significantly towards the attainment of higher level of job satisfaction which will lead to employee Retention and not employee turnover among the employees which may lead to the well being of mankind. This way Organizations can reach many milestones in the path of the success.

3.4. Title of the Thesis:

The title of the Thesis is “IMPACT OF DISSATISFACTION ON EMPLOYEES TURNOVER IN SELECTED SMALL, MEDIUM AND LARGE SCALE SOFTWARE INDUSTRIAL UNITS IN PUNE.” (PERIOD 2007-2013)
3.5. Objectives of the Study:

The main Objectives are to Study “IMPACT OF DISSATISFACTION ON EMPLOYEES TURNOVER IN SELECTED SMALL, MEDIUM AND LARGE SCALE SOFTWARE INDUSTRIAL UNITS IN PUNE.” (PERIOD 2007-2013)

The study will focus the following objectives:-

A. To understand the conceptual background of Employees dissatisfaction and employees turnover.
B. To study various theories on relationship between dissatisfaction and turnover of employees.
C. To evaluate the relationship between employee dissatisfaction and employee turnover, and the extent to which one of these variable affect another.
D. To investigate the business system of software companies.
E. To find out ways and means to reduce the dissatisfaction level of Employees.
F. To study various existing theories on relationship between dissatisfaction and turnover of employees
G. To analyze and interpret the data regarding the factors affecting the level of satisfaction of Employees working in different department of software companies.
H. To make suggestions and draw conclusions in problem areas through the improvement in the level rate of employee Turnover.

3.6. Hypotheses of the study:

The Main Hypotheses is ----“Employee dissatisfaction makes impact on Employees Turnover in Software companies”.

The following are the other hypothesis:

Hypotheses for Employees-

H0 1- the Motivational factors make impact on Turnover Intension of Employees.
H_0  2-  The working Environment make impact on Turnover Intension of Employees.

H_0  3-  The Job Related Issues make impact on Turnover Intension of Employees.

H_0  4-  The Organizational Culture make impact on Turnover Intension of Employees.

H_0  5-  The Social Environment at Workplace make impact on Turnover Intension of Employees.

H_0  6-  The Employee Commitment make impact on Turnover Intension of Employees.

H_0  7-  The Motivational factors and Employee Commitment make impact of on Turnover Intension of Employees.

**Hypotheses for Managers (Sr.Resources)**

H_0  8-  The Motivational factors make impact on Turnover Intension of Managers (Sr.Resources).

H_0  9-  The working Environment make impact on Turnover Intension of Managers (Sr.Resources).

H_0  10-  The Job Related Issues make impact on Turnover Intension of Managers (Sr.Resources)

H_0  11-  The Organizational Culture makes impact on Turnover Intension of Managers (Sr.Resources)

H_0  12-  The Social Environment at Workplace makes impact on Turnover Intension of Managers (Sr.Resources).

H_0  13-The Employee Commitment makes impact on Turnover Intension of Managers (Sr.Resources).

H_0  14-  The Motivational factors and Employee Commitment make impact on Turnover Intension of Managers (Sr.Resources).
3.6.1 Proposed study:-

Motivational Factors

Working Environment

Job Related Issues

Organizational Culture

Social Environment at Workplace

Employee Commitment

Turnover Intension

Source: (Designed by the Researcher) 2013.
3.6.2. Assumptions:

The study assumes that the education levels of the employees who were newcomers were constant. The influence of the selection of employees during recruitment on employee performance was also assumed to be constant. However, this does not mean that any effect they have which is proven in previous will be ignored.

3.7: Research Design and Methodology

3.7.1: Universe:

This study is undertaken to find out the contribution of dissatisfaction factors in employees that is leading to Employee Turnover in Pune. By the end of 2009 the total number of IT companies in Pune are 1000 and amongst them 261 are large, 278 are medium IT companies, 461 are small IT companies (as per the Pune IT Directory published by mccia).

As per definition of small, medium and large given by Industrial Development and Regulation Act 1951 notification S.O. 1642(E) dated 29-09-2006. The definition for small, medium and large scale industry in service sectors is :-

Small Enterprise Investment – between 10 lakhs to 2 crore
Medium Enterprises – between 2 Crore to 5 Crore
Large Enterprise – 5 crore and above.

As the study is related to employee turnover we have converted these guidelines into number of employees as follows:-

Minimum investment for an employee in an IT industry would be a Laptop or a Pc means Rs.20,000 per employee resulting into the small scale industry to be having 50 to 100 employees.

For Medium scale industry additional investment such as scanners, printers, dedicated license software and servers maybe touching up to Rs. 3 Crores. So the
employees size is considered as 100 to 500 and any organization having more than 500 employees is considered as Large scale industries.

It is also using a number of studies which include research papers done previously about the topic of employee dissatisfaction. These research studies are providing results which can lead the study, by means of analyzing, to a sound conclusion about whether or not employee dissatisfaction drives to employee turnover in the IT sector.

Moreover, the studies provide the information about any effects of the employee’s need fulfillment, leave aside the satisfaction, on employee turnover so that the study can come up with suggestions regarding the design of the models of increasing employee satisfaction and major things to pay attention to in terms of their content and delivery mediums. The study will do this by trying to find proof of consequences of reported effects in terms of changes in employee turnover, again by the help of other research studies. If these studies indicate that employee satisfaction affects newcomer employees in various ways, then the study will tie these findings to turnover.

3.7.2: Selection of the Sample:

The samples of the respondents have been selected keeping the two categories in mind. One is the employees of software industries, and the second is the Managers which is called as Sr. Resources of the IT companies.

Example for Managers or Sr. Resources the following designations have been chosen:-

Sr. Manager, Executive Manager, Administration Manager, Delivery Manager, Operations Manager, Project Manager, Cluster Manager, Asst. Manager, Client Support Manager.

Example for Employees or the Lower level Resources the following have been considered:-
Desktop Engineers, Shift Lead operations, Sr. Support Consultant, Principal Consultant, Associate SQA Engineer, DM, B.P.C, Sr. Test Engineer, Associate System Consultant, Network Engineer, Software Developer, Technology Support, Associate consultant, Software Engineer, Technology Engineer, Technical Lead, Technology Specialist, Sr. Tools Development Engineer, Systems Engineer, Operations Executives, SAP basic Trainee, Environment Support, Technical Analyst.

3.7.2.1: Selection of the samples had been done on the following criteria:

✓ Total employees were selected as respondent on the following basis

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Type of Industry</th>
<th>No of companies</th>
<th>No of Employees (Low Level Resources)</th>
<th>No of Sr.Resources(Managers)</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Large (Employees above 500)</td>
<td>15</td>
<td>34</td>
<td>33</td>
<td>67</td>
</tr>
<tr>
<td>2</td>
<td>Medium (Emp 100 – 500)</td>
<td>11</td>
<td>42</td>
<td>10</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>500)</td>
<td></td>
<td></td>
<td></td>
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<td>-----</td>
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<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-100</td>
<td>11</td>
<td>24</td>
<td>07</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Total Sample</td>
<td>37</td>
<td>100</td>
<td>50</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

- The survey for the above industries was selected within the Pune region.
- Every question from the questionnaire carry a weight, based on which the hypothesis is stated.

### 3.7.3. Period of Study:

The Primary and secondary data till 31-04-2013 was taken in to account. However the information about the business development of the companies has been taken for almost last four years 2007 – 2011

### 3.7.4. Techniques of the Analysis:

The data collected in the form of questionnaire answered by the respondents from selected industries. The information collected was processed and tabulated suitably by highlighting all the parameters. The theoretical information was converted in numbers by ranking the Likert 5 point Scales. While analyzing the data and testing of hypotheses statistical tools like
Mean, Standard Deviation, correlations, and reliabilities for all variables have been used to express. The test statistics were used with the help of M.S Excel, and SPSS, for the presentation of the data, tables, and charts and bar diagrams.

3.7.5. Parameters:-

Following are the determinants of Employee turnover which are taken as parameters for the purpose of this research project both for employees as well as Managers (Sr.Resources) of different organization :---

A) Demographic Profile
B) Dissatisfaction Factor
C) Employee Commitment.
D) Turnover Intension.

Under Demographic Profile the following aspects have been considered they are:-

1. Age
2. Gender
3. Name of the Organization
4. Sector
5. Designation
6. Department
7. No of years working in this organization

Under Dissatisfaction Factors the following aspects have been considered they are :-

A) Motivational Factors – this includes pay, promotion, Recognition, Reward, Training Facilities, Fringe benefits, Staff Quarters.

C) Job Related Issues - this includes Flexible Works, inadequate pay, repetitive work, time motion system, job opportunities, satisfied with the Co-operation of co-workers, lack of career advancement.

D) Organizational Culture – this includes informal communication, information sharing, celebration of traditions, celebration of success, caring culture, politics free environment.

E) Social Environment at Workplace – this includes family interest, helping nature, critics to remove defects, sharing personal information.

Under Employee Commitment - following aspects have been considered they are :-

1. Organizational Commitment
2. Total interest
3. Absentees
4. Team work

Under Turnover Intension - following aspect have been considered:-

1. Willing to Leave the job.
3.8. Tools used for collection of Data:

This study had collected data from various sources. It had mainly focused on collecting data
- by observation
- through personal interview
- through telephone interview
- by mailing of questionnaire

the study collected data through -
✓ primary data
✓ secondary data

3.8.1. Primary Data:

This was the main key source information for the research in the form of a printed questionnaire with options stated and some sentences where ever required as samples to be filled which help in analyzing, stating the hypothesis and concluding with the suggestive measures that can be taken. The questionnaire consisted in 3 parts A) Demographic Details, B) Dissatisfaction Factors, and C) Employee Commitment which further consisted of 40 questions overall in the optional form. The questionnaire was framed using simple graphic rating scale and Likert –5 point type scale. Questionnaire were prepared, was for employees and Managers working in different software companies. Possible topics for the survey questions were identified from variety of sources: instructor feedback, employee comments, learning during the MBA course, and research in the field of employee attrition and satisfaction.

The survey questions were written using a Likert Scale and graphic rating scale to measure employee’s opinion. The proposed survey questions were distributed to the employees of IT professionals and after review comments were completed, the final survey was distributed to employees and employers also randomly of their respective companies. The survey was titled ‘Questionnaire for Manager/Employee in Software companies ’. The complete survey is presented in Appendix C.
Thus maximum possible care has been taken to ensure the accuracy and reliability of the collected data for this research.

3.8.1.1. Questionnaire:

The primary instrument of this study was a questionnaire, developed with an intention to judge the responses of the employees in connection with all the parameters influencing the satisfaction level of the employees.

The parameters pertaining in the questionnaire are: a) Demographic Profile, b) Dissatisfaction Factors, c) Employee Performance.

The total questions are divided in 42 parameters. Every parameters has five questions in the form of Likert Scale (five rating Scale from 1 to 5 starting from strongly Agree to strongly disagree at the end). Every question thus has minimum 1 and maximum 5 marks. The marks for every question and total marks for every parameters and overall total has become the base for all statistical analysis and interpretation.

An introductory and directional paragraphs was placed at the beginning of the questionnaire. A cover letter preceded the questionnaire. The cover letter stated the purpose of the study, its significance and a confidentiality statement. Questionnaire was answered with the help of Likert Scale, which helped in determining the percentage value of each parameter.

A five point scale was used with one being strongly disagree to strongly Agree. The higher the rating the higher the contribution of the factor will be there. The questions were framed keeping the positive side of the picture so as to match the ratings with ascending order of satisfaction.

3.8.1.2 Discussions and Interviews:

Personal discussions as well as telephonic discussions were conducted with Managers, Professionals, Industry Experts and Academicians. This has added so much value and helped to work faster in the right and appropriate direction in the field of research work.
3.8.1.3 Observations:

Observation method has also been used to collect the crucial data for the purpose of accuracy. The researcher attended a few companies by personal contacts as a guest and observed the working environment.

3.8.2 Secondary Data:

Secondary data was collected from different sources like,

1. websites and search engines on the Internet
2. Books
3. magazines
4. reports and publications of the organizations
5. Newspapers
7. Articles Published/unpublished
8. Master and Ph.D theses in the related area.
10. Other sources of published information as per requirement.

3.9 Significance of the study:

In a Human Resources Management, turnover or staff turnover or labor turnover is the rate at which an employer gains and losses employees. Simple ways to describe it are "how long employees tend to stay" or "the rate of traffic through the revolving door." Turnover is measured for individual companies and for their industry as a whole. If an employer is said to have a high turnover relative to its competitors, it means that employees of that company have a shorter average tenure than those of other companies in the same industry. High turnover can be harmful to a company's...
Productivity, if skilled workers are often leaving and the worker population contains a high percentage of novice workers.

(Note: It is necessary to clarify that, for the purpose of this study the term Low Level or employees and Senior Level Resources or managers turnover is written in the context of Employee Turnover based only on the Software companies and its aspects related to the specific sector. Therefore it is requested to take note of this throughout the further discussion in this Thesis)

Employee Turnover of the employees depends upon both internal as well as external factor. Like recruitment, turnover can be classified as 'internal' or 'external'. Internal turnover involves employees leaving their current positions and taking new positions within the same organization. Both positive (such as increased morale from the change of task and supervisor) and negative (such as project/relational disruption, effects of internal turnover exist, and therefore, it may be equally important to monitor this form of turnover as it is to monitor its external counterpart. Internal turnover might be moderated and controlled by typical HR mechanisms, such as an internal recruitment policy or formal succession Planning.

The determinants of Employee Turnover are:

1. Age
2. Gender
3. Sector
4. Designation
5. Department
6. No of years working in this organization
7. pay, promotion,
8. Recognition,
9. Reward,
10. Training Facilities,
11. Fringe benefits,
12. Staff Quarters
13. proper Infrastructure,
14. Canteen Facilities,
15. Rest Room facilities,
16. proper Ventilation,
17. Standard Lighting System,
18. Proper Drinking water Facility,
19. Toxic workplace,
21. Flexible Works,
22. inadequate pay,
23. repetitive work,
24. time motion system,
25. lack of Rotation,
26. lack of Co-operation of co-workers,
27. Lack of career advancement.
28. informal communication,
29. information sharing,
30. celebration of traditions,
31. celebration of success,
32. caring culture,
33. Politics free environment.
34. family interest,
35. helping nature,
36. critics to remove defects,
37. Sharing personal information.
38. Organizational target
39. Total interest
40. Absentees
41. Team work
42. Leaving the job.
The significance of these factors in Employee Turnover is substantial: however the actual contribution of each of them has to be measured. This will enable us to produce a model helping decision makers to focus on these factors based on the percentage contribution made by each factors and there interdependence.

There is a need to have a scientific approach while treating the employees.

3.10 Scope and Limitation of the Study:

1. Thirty seven large, medium and small software companies had been considered as first stage sample size, as representative organization for the study.
2. Only internal factors are taken in to consideration for the purpose of carrying out this research.
3. Organizations in which more than 50 to 6000 employees working were selected for the survey.
4. Organizations from all over Pune city covering in and out areas.
5. The responses were collected from 100 employees and 50 employers from the selected organizations.
6. Time constraint posed a serious limitation for gathering results pertaining to the study.
7. Sample size of 150 may not include all IT Employees from entire Pune City.
8. The sample has been chosen strategically.

3.11 Chapter Scheme

3.11.1 Introduction:

This chapter covers the discussion about the importance of Employee Turnover in organizations, theoretical Framework and theories of Employee Turnover that are important for this research Work.

3.11.2 Review of Literature:
In this chapter, following points are included: introduction about the literature review, actual review of employee’s turnover literature and previous researches and summary. It contains a valuable literature on employee turnover and its determinants. Articles, Research Papers, Theses, Surveys and Books are reviewed on the topics associated with job satisfaction and conclusions have been drawn from these extracts.

3.11.3 Research Design:-

**Sample Size:**- A sample size of 150 IT professionals was collected

(Same as respondents for qualitative research.)

Samples of male and female employees are drawn from the two strata that have been decided in Pune City.

<table>
<thead>
<tr>
<th>Sampling Units</th>
<th>Respondents</th>
<th>Sampling Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Employees</td>
<td>100</td>
<td>Stratified random sample using gender.</td>
</tr>
<tr>
<td>IT Employer</td>
<td>50</td>
<td>Stratified random sample.</td>
</tr>
</tbody>
</table>

**Sample Technique:**- A Stratified random sampling technique using gender as stratification variables is applied.

3.11.3.2. Research Instruments:-

- Questionnaire open and close ended,
- Qualitative comments from the respondents

3.11.3.3 Method of contact:-

- Personal and official interview
• Length of Interview – 20 minutes.

3.11.4 Profile of the Companies:

The chapter includes the information about all the 37 software companies, amongst them 15 are from Large Sector companies, 11 are from Medium Sector companies and 11 from the Small sector companies which were from in and around Pune city area for the research project. There are large, medium and small companies under consideration.

3.11.5 Data Analysis and Interpretation:

In this chapter, the analysis of Demographic Profile, overall dissatisfaction factors of the employees and employer and analysis of opinion of Respondents about employee turnover with respect to the parameters i.e. Motivational Factors, Working Environment, Job related Issues, Organizational Culture, Social Environment at Workplace, Employee Commitment has been done by using Statistical techniques.

3.11.6 Testing of Hypotheses:

This chapter analyzes the interrelationship in components of all the predictors with Employee Turnover. The impact of all the independent variables that is Motivational factors, Working Environment, Job Related Issues, Organizational Culture, Social Environment at Workplace, and Employee Commitment have a positive relationship with the dependent variable that is Turnover Intension.

3.11.7. Conclusions and Suggestions:

The findings, conclusions and recommendations are derived from the profiles of the companies, Data Analysis and Interpretation and from the Testing of Hypothesis. Conclusions are drawn with a view to bring about certain improvement in reducing the turnover of the employees and suggestions are made for reducing the turnover in
the software companies. The scope of future research in this area has also been directed by the researcher.

3.12. Summary:

This chapter discussed the procedures employed in collecting the data. Fourteen hypotheses were developed using various tools to test from the information obtained in the literature review that was used to examine the relationship between each dissatisfaction factor and the turnover in an organization. The main focus was to know the percentage contribution of each dissatisfaction factor in employees’ turnover. This chapter explains the importance and reasons for choice of this topic. Overall process of research including methods of data collection like, questionnaire, observation, selection of sample, tools and techniques of data analysis and hypotheses testing are discussed in this chapter. It also includes the significance, scope and limitations of the study.

References:
